

107TH CONGRESS
1ST SESSION

S. _____

IN THE SENATE OF THE UNITED STATES

_____ introduced the following bill; which was read twice and
referred to the Committee on _____

A BILL

To amend the Elementary and Secondary Education Act
of 1965 to promote parental involvement and parental
empowerment in public education through greater com-
petition and choice, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Empowering Parents
5 Act of 2001”.

6 **TITLE I—PUBLIC SCHOOL**
7 **CHOICE**

8 **SEC. 101. SHORT TITLE OF TITLE.**

9 This title may be referred to as the “Enhancing Pub-
10 lic Education Through Choice Act”.

1 **SEC. 102. PURPOSES.**

2 The purposes of this title are—

3 (1) to prevent children from being consigned to,
4 or left trapped in, failing schools;

5 (2) to ensure that parents of children in failing
6 public schools have the choice to send their children
7 to higher performing public schools, including public
8 charter schools;

9 (3) to support and stimulate improved public
10 school performance through increased public school
11 competition and increased Federal financial assist-
12 ance;

13 (4) to provide parents with more choices among
14 public school options; and

15 (5) to assist local educational agencies with low-
16 performing schools to implement districtwide public
17 school choice programs or enter into partnerships
18 with other local educational agencies to offer stu-
19 dents interdistrict or statewide public school choice
20 programs.

21 **SEC. 103. PUBLIC SCHOOL CHOICE PROGRAMS.**

22 Title X of the Elementary and Secondary Education
23 Act of 1965 (20 U.S.C. 10101 et seq.) is amended—

24 (1) by redesignating part L as part N; and

25 (2) by inserting after part K the following:

1 **“PART L—PUBLIC SCHOOL CHOICE PROGRAMS**

2 **“SEC. 10995A. DEFINITIONS.**

3 “In this part:

4 “(1) LOWEST PERFORMING SCHOOL.—The term
5 ‘lowest performing school’ means a public school
6 that has failed to make adequate yearly progress, as
7 described in section 1111, for 2 or more years.

8 “(2) POVERTY LINE.—The term ‘poverty line’
9 means the income official poverty line (as defined by
10 the Office of Management and Budget, and revised
11 annually in accordance with section 673(2) of the
12 Community Services Block Grant Act (42 U.S.C.
13 9902(2))) applicable to a family of the size involved,
14 for the most recent fiscal year for which satisfactory
15 data are available.

16 “(3) PUBLIC CHARTER SCHOOL.—The term
17 ‘public charter school’ means an institution defined
18 as a public charter school by the State in which the
19 institution is located.

20 “(4) PUBLIC SCHOOL.—The term ‘public
21 school’ means a public charter school, a public ele-
22 mentary school, and a public secondary school.

23 “(5) STUDENT IN POVERTY.—The term ‘stu-
24 dent in poverty’ means a student from a family with
25 an income below the poverty line.

1 **“SEC. 10995B. GRANTS.**

2 “The Secretary shall make grants, on a competitive
3 basis, to State educational agencies and local educational
4 agencies, to enable the agencies, including the agencies
5 serving the lowest performing schools, to implement pro-
6 grams of universal public school choice.

7 **“SEC. 10995C. USE OF FUNDS.**

8 “(a) IN GENERAL.—An agency that receives a grant
9 under this part shall use the funds made available through
10 the grant to pay for the expenses of implementing a public
11 school choice program, including—

12 “(1) the expenses of providing transportation
13 services or the cost of transportation to eligible chil-
14 dren;

15 “(2) the cost of making tuition transfer pay-
16 ments to public schools to which students transfer
17 under the program;

18 “(3) the cost of capacity-enhancing activities
19 that enable high-demand public schools to accommo-
20 date transfer requests under the program;

21 “(4) the cost of carrying out public education
22 campaigns to inform students and parents about the
23 program;

24 “(5) administrative costs; and

25 “(6) other costs reasonably necessary to imple-
26 ment the program.

1 “(b) SUPPLEMENT, NOT SUPPLANT.—Funds made
2 available under this part shall supplement, and not sup-
3 plant, State and local public funds expended to provide
4 public school choice programs for eligible individuals.

5 **“SEC. 10995D. REQUIREMENTS.**

6 “(a) INCLUSION IN PROGRAM.—In carrying out a
7 public school choice program under this part, a State edu-
8 cational agency or local educational agency shall—

9 “(1) allow all students attending public schools
10 within the State or school district involved to attend
11 the public school of their choice within the State or
12 school district, respectively;

13 “(2) provide all eligible students in all grade
14 levels equal access to the program;

15 “(3) include in the program public charter
16 schools and any other public school in the State or
17 school district, respectively; and

18 “(4) develop the program with the involvement
19 of parents and others in the community to be served,
20 and individuals who will carry out the program, in-
21 cluding administrators, teachers, principals, and
22 other staff.

23 “(b) NOTICE.—In carrying out a public school choice
24 program under this part, a State educational agency or
25 local educational agency shall give parents of eligible stu-

1 dents prompt notice of the existence of the program and
2 the program's availability to such parents, and a clear ex-
3 planation of how the program will operate.

4 “(c) TRANSPORTATION.—In carrying out a public
5 school choice program under this part, a State educational
6 agency or local educational agency shall provide eligible
7 students with transportation services or the cost of trans-
8 portation to and from the public schools, including public
9 charter schools, that the students choose to attend under
10 this program.

11 “(d) NONDISCRIMINATION.—Notwithstanding sub-
12 section (a)(3), no public school may discriminate on the
13 basis of race, color, religion, sex, national origin, sexual
14 orientation, or disability in providing programs and activi-
15 ties under this part.

16 “(e) PARALLEL ACCOUNTABILITY.—Each State edu-
17 cational agency or local educational agency receiving a
18 grant under this part for a program through which a pub-
19 lic charter school receives assistance shall hold the school
20 accountable for adequate yearly progress in improving stu-
21 dent performance as described in title I and as established
22 in the school's charter, including the use of the standards
23 and assessments established under title I.

1 **“SEC. 10995E. APPLICATIONS.**

2 “(a) IN GENERAL.—To be eligible to receive a grant
3 under this part, a State educational agency or local edu-
4 cational agency shall submit an application to the Sec-
5 retary at such time, in such manner, and containing such
6 information as the Secretary may require.

7 “(b) CONTENTS.—Each application for a grant under
8 this part shall include—

9 “(1) a description of the program for which the
10 agency seeks funds and the goals for such program;

11 “(2) a description of how the program will be
12 coordinated with, and will complement and enhance,
13 other related Federal and non-Federal projects;

14 “(3) if the program is carried out by a partner-
15 ship, the name of each partner and a description of
16 the partner’s responsibilities;

17 “(4) a description of the policies and procedures
18 the agency will use to ensure—

19 “(A) accountability for results, including
20 goals and performance indicators; and

21 “(B) that the program is open and acces-
22 sible to, and will promote high academic stand-
23 ards for, all students; and

24 “(5) such other information as the Secretary
25 may require.

1 **“SEC. 10995F. PRIORITIES.**

2 “In making grants under this part, the Secretary
3 shall give priority to—

4 “(1) first, those State educational agencies and
5 local educational agencies serving the lowest per-
6 forming schools;

7 “(2) second, those State educational agencies
8 and local educational agencies serving the highest
9 percentage of students in poverty; and

10 “(3) third, those State educational agencies or
11 local educational agencies forming a partnership
12 that seeks to implement an interdistrict approach to
13 carrying out a public school choice program.

14 **“SEC. 10995G. EVALUATIONS, TECHNICAL ASSISTANCE, AND**
15 **DISSEMINATION.**

16 “(a) IN GENERAL.—From the amount made avail-
17 able to carry out this part for any fiscal year, the Sec-
18 retary may reserve not more than 5 percent to carry out
19 evaluations, to provide technical assistance, and to dis-
20 seminate information.

21 “(b) EVALUATIONS.—In carrying out evaluations
22 under subsection (a), the Secretary may use the amount
23 reserved under subsection (a) to carry out 1 or more eval-
24 uations of State and local programs assisted under this
25 part, which shall, at a minimum, address—

1 “(1) how, and the extent to which, the pro-
2 grams promote educational equity and excellence;
3 and

4 “(2) the extent to which public schools carrying
5 out the programs are—

6 “(A) held accountable to the public;

7 “(B) effective in improving public edu-
8 cation; and

9 “(C) open and accessible to all students.

10 **“SEC. 10995H. AUTHORIZATION OF APPROPRIATIONS.**

11 “There is authorized to be appropriated to carry out
12 this part \$200,000,000 for fiscal year 2002 and each sub-
13 sequent fiscal year.”.

14 **TITLE II—PUBLIC CHARTER**
15 **SCHOOL FACILITIES FINANCING**

16 **SEC. 201. SHORT TITLE OF TITLE.**

17 This title may be cited as the “Public Charter Schools
18 Equity Act”.

19 **SEC. 202. PURPOSES.**

20 The purposes of this title are—

21 (1) to help eliminate the barriers that prevent
22 public charter school developers from accessing the
23 credit markets, by encouraging lending institutions
24 to lend funds to public charter schools on terms

1 more similar to the terms typically extended to tra-
2 ditional public schools; and

3 (2) to encourage the States to provide support
4 to public charter schools for facilities financing in an
5 amount commensurate to the amount the States
6 have typically provided for traditional public schools.

7 **SEC. 203. CREDIT ENHANCEMENT INITIATIVES.**

8 Subpart 2 of part C of title X of the Elementary and
9 Secondary Education Act of 1965, as added by section
10 322 of the Department of Education Appropriations Act,
11 2001 (as enacted into law by section 1(a)(1) of Public Law
12 106–554), is amended to read as follows:

13 **“Subpart 2—Credit Enhancement Initiatives To Pro-**
14 **mote Charter School Facility Acquisition, Con-**
15 **struction, and Renovation**

16 **“SEC. 10321. PURPOSE.**

17 “The purpose of this subpart is to provide grants to
18 eligible entities to permit the entities to establish or im-
19 prove innovative credit enhancement initiatives that assist
20 charter schools to address the cost of acquiring, con-
21 structing, and renovating facilities.

22 **“SEC. 10322. GRANTS TO ELIGIBLE ENTITIES.**

23 “(a) GRANTS FOR INITIATIVES.—

24 “(1) IN GENERAL.—The Secretary shall use
25 100 percent of the amount available to carry out

1 this subpart to eligible entities having applications
2 approved under this subpart to carry out innovative
3 initiatives for assisting charter schools to address
4 the cost of acquiring, constructing, and renovating
5 facilities by enhancing the availability of loans or
6 bond financing.

7 “(2) NUMBER OF GRANTS.—The Secretary
8 shall award not fewer than 3 of the grants.

9 “(b) GRANTEE SELECTION.—

10 “(1) DETERMINATION.—The Secretary shall
11 evaluate each application submitted, and shall deter-
12 mine which applications are of sufficient quality to
13 merit approval and which are not.

14 “(2) MINIMUM GRANTS.—The Secretary shall
15 award at least—

16 “(A) 1 grant to an eligible entity described
17 in section 10330(2)(A);

18 “(B) 1 grant to an eligible entity described
19 in section 10330(2)(B); and

20 “(C) 1 grant to an eligible entity described
21 in section 10330(2)(C),

22 if applications are submitted that permit the Sec-
23 retary to award the grants without approving an ap-
24 plication that is not of sufficient quality to merit ap-
25 proval.

1 “(c) GRANT CHARACTERISTICS.—Grants under this
2 subpart shall be in sufficient amounts, and for initiatives
3 of sufficient scope and quality, so as to effectively enhance
4 credit for the financing of charter school acquisition, con-
5 struction, or renovation.

6 “(d) SPECIAL RULE.—In the event the Secretary de-
7 termines that the funds available to carry out this subpart
8 are insufficient to permit the Secretary to award not fewer
9 than 3 grants in accordance with subsections (a) through
10 (c)—

11 “(1) subsections (a)(2) and (b)(2) shall not
12 apply; and

13 “(2) the Secretary may determine the appro-
14 priate number of grants to be awarded in accordance
15 with subsections (a)(1), (b)(1), and (c).

16 **“SEC. 10323. APPLICATIONS.**

17 “(a) IN GENERAL.—To receive a grant under this
18 subpart, an eligible entity shall submit to the Secretary
19 an application in such form as the Secretary may reason-
20 ably require.

21 “(b) CONTENTS.—An application submitted under
22 subsection (a) shall contain—

23 “(1) a statement identifying the activities pro-
24 posed to be undertaken with funds received under
25 this subpart, including how the applicant will deter-

1 mine which charter schools will receive assistance,
2 and how much and what types of assistance the
3 charter schools will receive;

4 “(2) a description of the involvement of charter
5 schools in the application’s development and the de-
6 sign of the proposed activities;

7 “(3) a description of the applicant’s expertise in
8 capital market financing;

9 “(4) a description of how the proposed activities
10 will—

11 “(A) leverage private sector financing cap-
12 ital, to obtain the maximum amount of private
13 sector financing capital, relative to the amount
14 of government funding used, to assist charter
15 schools; and

16 “(B) otherwise enhance credit available to
17 charter schools;

18 “(5) a description of how the applicant pos-
19 sesses sufficient expertise in education to evaluate
20 the likelihood of success of a charter school program
21 for which facilities financing is sought;

22 “(6) in the case of an application submitted by
23 a State governmental entity, a description of the ac-
24 tions that the entity has taken, or will take, to en-
25 sure that charter schools within the State receive the

1 funding the schools need to have adequate facilities;
2 and

3 “(7) such other information as the Secretary
4 may reasonably require.

5 **“SEC. 10324. CHARTER SCHOOL OBJECTIVES.**

6 “An eligible entity receiving a grant under this sub-
7 part shall use the funds received through the grant, and
8 deposited in the reserve account established under section
9 10325(a), to assist 1 or more charter schools to access
10 private sector capital to accomplish 1 or more of the fol-
11 lowing objectives:

12 “(1) The acquisition (by purchase, lease, dona-
13 tion, or otherwise) of an interest (including an inter-
14 est held by a third party for the benefit of a charter
15 school) in improved or unimproved real property
16 that is necessary to commence or continue the oper-
17 ation of a charter school.

18 “(2) The construction of new facilities, or the
19 renovation, repair, or alteration of existing facilities,
20 necessary to commence or continue the operation of
21 a charter school.

22 “(3) The payment of start-up costs, including
23 the costs of training teachers and purchasing mate-
24 rials and equipment, including instructional mate-
25 rials and computers, for a charter school.

1 **“SEC. 10325. RESERVE ACCOUNT.**

2 “(a) IN GENERAL.—For the purpose of assisting
3 charter schools to accomplish the objectives described in
4 section 10324, an eligible entity receiving a grant under
5 this subpart shall deposit the funds received through the
6 grant (other than funds used for administrative costs in
7 accordance with section 10326) in a reserve account estab-
8 lished and maintained by the entity for that purpose. The
9 entity shall make the deposit in accordance with State and
10 local law and may make the deposit directly or indirectly,
11 and alone or in collaboration with others.

12 “(b) USE OF FUNDS.—Amounts deposited in such
13 account shall be used by the entity for 1 or more of the
14 following purposes:

15 “(1) Guaranteeing, insuring, and reinsuring
16 bonds, notes, evidences of debt, loans, and interests
17 therein, the proceeds of which are used for an objec-
18 tive described in section 10324.

19 “(2) Guaranteeing and insuring leases of per-
20 sonal and real property for such an objective.

21 “(3) Facilitating financing for such an objective
22 by identifying potential lending sources, encouraging
23 private lending, and carrying out other similar ac-
24 tivities that directly promote lending to, or for the
25 benefit of, charter schools.

1 “(4) Facilitating the issuance of bonds by char-
2 ter schools, or by other public entities for the benefit
3 of charter schools, for such an objective, by pro-
4 viding technical, administrative, and other appro-
5 priate assistance (including the recruitment of bond
6 counsel, underwriters, and potential investors and
7 the consolidation of multiple charter school projects
8 within a single bond issue).

9 “(c) INVESTMENT.—Funds received under this sub-
10 part and deposited in the reserve account shall be invested
11 in obligations issued or guaranteed by the United States
12 or a State, or in other similarly low-risk securities.

13 “(d) REINVESTMENT OF EARNINGS.—Any earnings
14 on funds received under this subpart shall be deposited
15 in the reserve account established under subsection (a)
16 and used in accordance with subsection (b).

17 **“SEC. 10326. LIMITATION ON ADMINISTRATIVE COSTS.**

18 “An eligible entity that receives a grant under this
19 subpart may use not more than 0.25 percent of the funds
20 received through the grant for the administrative costs of
21 carrying out the entity’s responsibilities under this sub-
22 part.

23 **“SEC. 10327. AUDITS AND REPORTS.**

24 “(a) FINANCIAL RECORD MAINTENANCE AND
25 AUDIT.—The financial records of each eligible entity re-

1 ceiving a grant under this subpart shall be maintained in
2 accordance with generally accepted accounting principles
3 and shall be subject to an annual audit by an independent
4 public accountant.

5 “(b) REPORTS.—

6 “(1) GRANTEE ANNUAL REPORTS.—Each eligi-
7 ble entity receiving a grant under this subpart annu-
8 ally shall submit to the Secretary a report of the en-
9 tity’s operations and activities under this subpart.

10 “(2) CONTENTS.—Each such annual report
11 shall include—

12 “(A) a copy of the most recent financial
13 statements, and any accompanying opinion on
14 such statements, prepared by the independent
15 public accountant auditing the financial records
16 of the eligible entity;

17 “(B) a copy of any report made on an
18 audit of the financial records of the eligible en-
19 tity that was conducted under subsection (a)
20 during the reporting period;

21 “(C) an evaluation by the eligible entity of
22 the effectiveness of the entity’s use of the Fed-
23 eral funds provided under this subpart in
24 leveraging private funds;

“(D) a listing and description of the character schools served by the entity with such Federal funds during the reporting period;

4 “(E) a description of the activities carried
5 out by the eligible entity to assist charter
6 schools in meeting the objectives set forth in
7 section 10324; and

8 “(F) a description of the characteristics of
9 lenders and other financial institutions partici-
10 pating in the activities undertaken by the eligi-
11 ble entity under this subpart during the report-
12 ing period.

13 “(3) SECRETARIAL REPORT.—The Secretary
14 shall review the reports submitted under paragraph
15 (1) and shall provide a comprehensive annual report
16 to Congress on the activities conducted under this
17 subpart.

18 "SEC. 10328. NO FULL FAITH AND CREDIT FOR GRANTEE
19 OBLIGATIONS.

20 “No financial obligation of an eligible entity entered
21 into pursuant to this subpart (such as an obligation under
22 a guarantee, bond, note, evidence of debt, or loan) shall
23 be an obligation of, or guaranteed in any respect by, the
24 United States. The full faith and credit of the United
25 States is not pledged to the payment of funds that may

1 be required to be paid under any obligation made by an
2 eligible entity pursuant to any provision of this subpart.

3 **“SEC. 10329. RECOVERY OF FUNDS.**

4 “(a) IN GENERAL.—The Secretary, in accordance
5 with chapter 37 of title 31, United States Code, shall
6 collect—

7 “(1) all of the funds in a reserve account estab-
8 lished by an eligible entity under section 10325(a) if
9 the Secretary determines, not earlier than 2 years
10 after the date on which the entity first received
11 funds under this subpart, that the entity has failed
12 to make substantial progress in carrying out the
13 purposes described in section 10325(b); or

14 “(2) all or a portion of the funds in a reserve
15 account established by an eligible entity under sec-
16 tion 10325(a) if the Secretary determines that the
17 eligible entity has permanently ceased to use all or
18 a portion of the funds in such account to accomplish
19 any purpose described in section 10325(b).

20 “(b) EXERCISE OF AUTHORITY.—The Secretary shall
21 not exercise the authority provided in subsection (a) to
22 collect from any eligible entity any funds that are being
23 properly used to achieve 1 or more of the purposes de-
24 scribed in section 10325(b).

1 “(c) PROCEDURES.—The provisions of sections 451,
2 452, and 458 of the General Education Provisions Act (20
3 U.S.C. 1234 et seq.) shall apply to the recovery of funds
4 under subsection (a).

5 “(d) CONSTRUCTION.—This section shall not be con-
6 strued to impair or affect the authority of the Secretary
7 to recover funds under part D of the General Education
8 Provisions Act (20 U.S.C. 1234 et seq.).

9 **“SEC. 10330. DEFINITIONS.**

10 “‘In this subpart:

11 “(1) CHARTER SCHOOL.—The term ‘charter
12 school’ has the meaning given such term in section
13 10310.

14 “(2) ELIGIBLE ENTITY.—The term ‘eligible en-
15 tity’ means—

16 “(A) a public entity, such as a State or
17 local governmental entity;

18 “(B) a private nonprofit entity; or

19 “(C) a consortium of entities described in
20 subparagraphs (A) and (B).

21 **“SEC. 10331. AUTHORIZATION OF APPROPRIATIONS.**

22 “‘There are authorized to be appropriated to carry out
23 this subpart \$400,000,000 for fiscal year 2002 and each
24 subsequent fiscal year.’”.

1 **SEC. 204. INCOME EXCLUSION FOR INTEREST PAID ON**
2 **LOANS BY PUBLIC CHARTER SCHOOLS.**

3 (a) IN GENERAL.—Part III of subchapter B of chap-
4 ter 1 of the Internal Revenue Code of 1986 (relating to
5 items specifically excluded from gross income) is amended
6 by redesignating section 139 and section 140 and by in-
7 serting after section 138 the following new section:

8 **“SEC. 139. INTEREST ON PUBLIC CHARTER SCHOOL LOANS.**

9 “(a) EXCLUSION.—Gross income does not include in-
10 terest on any public charter school loan.

11 “(b) PUBLIC CHARTER SCHOOL LOAN.—For pur-
12 poses of this section:

13 “(1) IN GENERAL.—The term ‘public charter
14 school loan’ means any indebtedness incurred by a
15 public charter school.

16 “(2) PUBLIC CHARTER SCHOOL.—The term
17 ‘public charter school’ means an institution defined
18 as a public charter school by the State in which the
19 institution is located.”.

20 (b) CONFORMING AMENDMENT.—The table of sec-
21 tions for such part III is amended by striking the item
22 relating to section 139 and inserting the following:

“Sec. 139. Interest on public charter school loans.
“Sec. 140. Cross references to other Acts.”.

23 (c) EFFECTIVE DATE.—The amendments made by
24 this section shall apply to taxable years beginning after

1 December 31, 2000, with respect to indebtedness incurred
2 after the date of the enactment of this Act.

3 **SEC. 205. GRANTS FOR PUBLIC CHARTER SCHOOL FACILI-**
4 **TIES.**

5 Title X of the Elementary and Secondary Education
6 Act of 1965 (20 U.S.C. 10101 et seq.), as amended by
7 section 103, is further amended by inserting after part
8 L the following:

9 **“PART M—GRANTS FOR PUBLIC CHARTER**
10 **SCHOOL FACILITIES**

11 **“SEC. 10996A. DEFINITION.**

12 “In this part, the term ‘public charter school’ has the
13 meaning given the term in section 10995A.

14 **“SEC. 10996B. GRANTS.**

15 “(a) IN GENERAL.—The Secretary shall make
16 grants, on a competitive basis, to States to pay for the
17 Federal share of the cost of establishing or enhancing, and
18 administering, programs in which the States make pay-
19 ments, on a per-pupil basis, to public charter schools to
20 assist the schools in financing school facilities.

21 “(b) PERIOD.—The Secretary shall award grants
22 under this section for periods of 5 years.

23 “(c) FEDERAL SHARE.—The Federal share of the
24 cost described in subsection (a) for a program shall be
25 not more than—

1 “(1) 90 percent of the cost, for the first fiscal
2 year for which the program receives assistance under
3 this part or its predecessor authority;

4 “(2) 80 percent in the second such year;

5 “(3) 60 percent in the third such year;

6 “(4) 40 percent in the fourth such year; and

7 “(5) 20 percent in the fifth such year.

8 **“SEC. 10996C. USE OF FUNDS.**

9 (a) IN GENERAL.—A State that receives a grant
10 under this part shall use the funds made available through
11 the grant to establish or enhance, and administer, a facili-
12 ties financing program for public charter schools in the
13 State.

14 “(b) EVALUATIONS; TECHNICAL ASSISTANCE; DIS-
15 SEMINATION.—From the amount made available to a
16 State through a grant under this part for a fiscal year,
17 the State may reserve not more than 5 percent of the
18 amount to carry out evaluations, to provide technical as-
19 sistance, and to disseminate information.

20 “(c) SUPPLEMENT, NOT SUPPLANT.—Funds made
21 available under this part shall supplement, and not sup-
22 plant, State and local public funds expended to provide
23 facilities financing programs, or operations financing pro-
24 grams, for public charter schools.

1 **“SEC. 10996D. REQUIREMENTS.**

2 “(a) VOLUNTARY PARTICIPATION.—No State may be
3 required to participate in a program carried out under this
4 part.

5 “(b) STATE LAW.—To be eligible to receive a grant
6 under this part, a State shall establish or enhance, and
7 administer, a facilities financing program for public char-
8 ter schools in the State, that—

9 “(1) is specified in State law;

10 “(2) provides equitable annual financing, on a
11 per-pupil basis, for public charter school facilities;
12 and

13 “(3) provides financing that is dedicated solely
14 for funding the facilities.

15 **“SEC. 10996E. APPLICATIONS.**

16 “To be eligible to receive a grant under this part, a
17 State shall submit an application to the Secretary at such
18 time, in such manner, and containing such information as
19 the Secretary may require.

20 **“SEC. 10996F. PRIORITIES.**

21 “In making grants under this part, the Secretary
22 shall give priority to States that meet the criteria de-
23 scribed in paragraph (2), and subparagraphs (A), (B), and
24 (C) of paragraph (3), of section 10302(e).

1 **“SEC. 10996G. EVALUATIONS, TECHNICAL ASSISTANCE, AND**
2 **DISSEMINATION.**

3 “(a) IN GENERAL.—From the amount made avail-
4 able to carry out this part for any fiscal year, the Sec-
5 retary may reserve not more than 5 percent to carry out
6 evaluations, to provide technical assistance, and to dis-
7 seminate information.

8 “(b) EVALUATIONS.—In carrying out evaluations
9 under subsection (a), the Secretary may use the amount
10 reserved under subsection (a) to carry out 1 or more eval-
11 uations of State programs assisted under this part, which
12 shall, at a minimum, address—

13 “(1) how, and the extent to which, the pro-
14 grams promote educational equity and excellence;
15 and

16 “(2) the extent to which public charter schools
17 supported through the programs are—

18 “(A) held accountable to the public;

19 “(B) effective in improving public edu-
20 cation; and

21 “(C) open and accessible to all students.

22 **“SEC. 10996H. AUTHORIZATION OF APPROPRIATIONS.**

23 “‘There is authorized to be appropriated to carry out
24 this part \$400,000,000 for fiscal year 2002 and each sub-
25 sequent fiscal year.’”.